Montana Legislative History

Chapter: 456 **Session L: 2001**
Bill Number: 559 **House / Senate**

Checklist of Bill History

History and Final Status Sheet	☒
Introduced Bill	☐
Fiscal Note	☐
Third Reading Bill	☐
Final Version of Bill	☒

House	Senate
Committee: Business and Labor	Committee: Judiciary
Hearing Date(s): 2/15/2001	Hearing Date(s): 3/12/2001
Committee Report: 2/17/2001	Committee Report: 3/27/2001

Conference Committee

Hearing Date(s): 4/10/2001, 4/12/2001

Conference Committee Report: 4/17/2001, 4/18/2001, 4/19/2001

Compiler Notes

Compiled by: FR, EM, SC

Date: 3/21/23

Notes:

HOUSE BILL NO. 559

INTRODUCED BY M. NOENNIG, BITNEY, CHRISTIAENS, R. HOLDEN, LAIBLE, K. MILLER, WHITAKER

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE NOTICE PERIODS FOR LANDLORDS NOTIFYING TENANTS OF INTENDED TERMINATION OF THE RENTAL AGREEMENT FOR NONCOMPLIANCE OR VIOLATION OF THE RENTAL AGREEMENT OR OTHER PROVISIONS OF THE MONTANA RESIDENTIAL LANDLORD AND TENANT ACT OF 1977; AMENDING SECTIONS 70-24-422, 70-24-436, AND 70-24-441, MCA; AND PROVIDING AN APPLICABILITY PROVISION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 70-24-422, MCA, is amended to read:

"70-24-422. Noncompliance of tenant generally -- landlord's right of termination -- damages -- injunction ~~-- MOBILE HOME SPACE RENTALS EXEMPTED~~. (1) Except as provided in ~~this chapter~~ 70-24-436, ~~FOR A RENTAL AGREEMENT INVOLVING A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME~~ THIS CHAPTER, if there is a noncompliance by the tenant with the rental agreement or a noncompliance with 70-24-321 ~~affecting health and safety~~, the landlord may deliver a written notice to the tenant pursuant to 70-24-108 specifying the acts and omissions constituting the ~~breach~~ noncompliance and that the rental agreement will terminate upon a date specified in the notice not less than ~~14~~ the minimum number of days after receipt of the notice provided for in this section. ~~If the breach is not remedied within that time, the~~ The rental agreement terminates as provided in the notice, subject to the following ~~exceptions~~:

(a) If the ~~breach~~ noncompliance is remediable by repairs, the payment of damages, or otherwise and the tenant adequately remedies the ~~breach~~ noncompliance ~~before the date specified in the notice~~ ~~WITHIN THE NOTICE PERIOD~~ BEFORE THE DATE SPECIFIED IN THE NOTICE, the rental agreement does not terminate.

(b) If the ~~breach~~ noncompliance involves an unauthorized pet, the notice period is ~~landlord may deliver a written notice to the tenant that the rental agreement will terminate upon a date not less than~~ 3 days ~~after receipt of the notice if the breach is not remedied within that time. This subsection does not apply to a rental agreement involving a tenant who rents space to park a mobile home but who does not rent the mobile home~~.

(c) If the ~~breach~~ noncompliance involves unauthorized persons residing in the rental unit, ~~the landlord may deliver a written notice to the tenant that the rental agreement will terminate upon a date not less than 3 days after receipt of the notice if the breach is not remedied within that time. This subsection does not apply to a rental agreement involving a tenant who rents space to park a mobile home but who does not rent the mobile home~~ the notice period is 3 days.

~~(D) IF THE NONCOMPLIANCE IS FAILURE TO PAY RENT WHEN DUE, THE NOTICE PERIOD IS 3 DAYS.~~

~~(d)(E)~~(D) If the noncompliance is not listed in subsection (1)(b)~~, or~~ OR (1)(c), ~~OR (1)(D),~~ the notice period is 14 days.

~~(d)(e)(F)~~(E) If substantially the same act or omission that constituted a prior noncompliance of which notice was given recurs within 6 months, the landlord may terminate the rental agreement upon at least 5 days' written notice specifying the ~~breach~~ noncompliance and the date of the termination of the rental agreement.

~~(f) This subsection (1) does not apply to a rental agreement involving a tenant who rents space for a mobile home but does not rent the mobile home.~~

(F) THIS SUBSECTION (1) DOES NOT APPLY TO A RENTAL AGREEMENT INVOLVING A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME.

(2) ~~(a) Except as provided in subsection (2)(b), if~~ If rent is unpaid when due and the tenant fails to pay rent within 3 days after written notice by the landlord of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period, the landlord may terminate the rental agreement. ~~This subsection does not apply to a rental agreement involving a tenant who rents space for a mobile home but does not rent the mobile home.~~ THIS SUBSECTION DOES NOT APPLY TO A RENTAL AGREEMENT INVOLVING A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME.

~~(b) For a rental agreement involving a tenant who rents space to park a mobile home but who does not rent the mobile home, the notice period referred to in subsection (2)(a) is 15 days.~~

(3) If the tenant destroys, defaces, damages, impairs, or removes any part of the premises in violation of 70-24-321(2), the landlord may terminate the rental agreement upon giving 3 days' written notice specifying the ~~breach~~ noncompliance under the provisions of 70-24-321(2).

(4) Except as provided in this chapter, the landlord may recover actual damages and obtain injunctive relief for any noncompliance by the tenant with the rental agreement or 70-24-321. Except as provided in subsection (5), if the tenant's noncompliance is purposeful, the landlord may recover treble

damages.

(5) Treble damages may not be recovered for the tenant's early termination of the tenancy.

~~(6) Subsections (3) through (5) apply to all rental agreements, including those involving a tenant who rents space for a mobile home but does not rent the mobile home.~~

(6) SUBSECTIONS (3) THROUGH (5) APPLY TO ALL RENTAL AGREEMENTS, INCLUDING THOSE INVOLVING A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME.

~~(6)~~(7)~~(6)~~(7) The landlord is not bound by this section in the event that:

~~(A) THE RENTAL AGREEMENT DOES NOT INVOLVE A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME; AND~~

(A) THE RENTAL AGREEMENT DOES NOT INVOLVE A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME; AND

~~(B)~~(B) the landlord elects to use the 30-day notice for termination of tenancy as provided in 70-24-441.

~~(7) THIS SECTION DOES NOT APPLY TO A RENTAL AGREEMENT INVOLVING A TENANT WHO RENTS SPACE FOR A MOBILE HOME BUT DOES NOT RENT THE MOBILE HOME.~~"

Section 2. Section 70-24-436, MCA, is amended to read:

"70-24-436. Mobile home parks -- grounds for termination of rental agreement. (1) ~~A landlord of a mobile home park may terminate a rental agreement only by following the procedure set forth in 70-24-422, except as specifically provided in this section, and only for one or more of the following reasons~~ With respect to a tenant who rents space in a mobile home park but does not rent the mobile home, if there is a noncompliance by the tenant with the rental agreement or with a provision of 70-24-321, the landlord may deliver a written notice to the tenant pursuant to 70-24-108 specifying the acts or omissions constituting the noncompliance and stating that the rental agreement will terminate upon a date specified in the notice that may not be less than the minimum number of days after receipt of the notice provided for in this section. The rental agreement terminates as provided in the notice for one or more of the following reasons and subject to the following conditions:

(a) nonpayment of rent, late charges, or common area maintenance fees as established in the rental agreement, for which the notice period is ~~3 15~~ 7 CALENDAR days;

(b) ~~late payment of rent, late charges, or common area maintenance fees as established in the~~

~~rental agreement three or more times within a 12-month period if written notice is given by the landlord after each failure to pay, as required by 70-24-422. For this subsection (1)(b), the notice period referred to in 70-24-422(1) is 30 days.~~ a violation of a mobile home park rule other than provided for in subsection (1)(a) that does not create an immediate threat to the HEALTH and safety of any resident of the mobile home park OR ITS MANAGER OR OWNER, for which the notice period is 14 days;

(c) a violation of a mobile home park rule that creates an immediate threat to the health and safety of any resident of the mobile home park, ITS MANAGER, OR ITS OWNER, THE NOTICE PERIOD IS 24 HOURS; ~~, its manager, or owner, if the violation has not been remedied 24 hours after the violator is given written notice of the violation; the notice period is 24 hours. IF THE VIOLATION HAS NOT BEEN REMEDIED 24 HOURS AFTER THE VIOLATOR IS GIVEN WRITTEN NOTICE OF THE VIOLATION, FOR WHICH THE NOTICE PERIOD IS 14 DAYS;~~

(d) subject to the right to terminate in subsections (1)(e) through (1)(l), if the noncompliance described in subsections (1)(a) through (1)(c) is remediable by repairs, the payment of damages, or otherwise, and the tenant adequately remedies the noncompliance before the date specified in the notice, the rental agreement does not terminate as a result of that noncompliance. ~~In addition, if the termination was for a violation of subsection (1)(a), the tenant has the right to reinstate the tenancy, after termination, upon payment any time prior to judgment of all delinquent rent, together with costs and reasonable attorney fees incurred by the landlord in the enforcement of subsection (1)(a).~~

(e) late payment of rent, late charges, or common area maintenance fees as established in the rental agreement three or more times within a 12-month period if written notice is given by the landlord after each failure to pay, as required by subsection (1)(a), for which the notice period for termination for the final late payment is 30 days;

(f) a violation of a mobile home park rule that creates an immediate threat to the health and safety of any resident of the mobile home park, its manager, or owner, whether or not notice was given pursuant to subsection (1)(c) and the violation was remedied as provided in subsection (1)(d), for which the notice period for termination is 14 days;

~~(d) two or more violations within a 12-month period of any combination of one or more mobile home park rules, the violation of which would have a significant adverse impact on the mobile home park or its residents and that are so designated;~~

~~(e)~~(g) two or more violations within a 12-month period of the same rule~~. For this subsection (1)(e),~~ ~~the~~ for which notice has been given for each prior violation as provided in subsection (1)(a), (1)(b), or

(1)(c), for which the notice period ~~referred to in 70-24-422(1) is~~ for termination FOR THE FINAL VIOLATION is 30 days~~.~~;

~~(f)~~(h) two or more violations of 70-24-321(1) within a 12-month period ~~or~~, for which the notice period for termination for the final violation is 14 days;

(i) any violation of 70-24-321(2), for which the notice period is as provided in 70-24-422(3);

~~(g)~~(j) disorderly conduct that results in disruption of the rights of others to the peaceful enjoyment and use of the premises~~. For this subsection (1)(g)~~, for which the notice period ~~referred to in 70-24-422(1)~~ is 30 days~~.~~;

~~(h)~~(k) any other noncompliance or violation not covered by subsection (1)(a) through ~~(1)(i)~~ (1)(J) that endangers other residents or mobile home park personnel or causes substantial damage to the mobile home park premises, for which the notice period is 14 days;

~~(i)~~(l) conviction of the mobile home owner or a tenant of the mobile home owner of a violation of a federal or state law or local ordinance, when the violation is detrimental to the health, safety, or welfare of other residents or the landlord of the mobile home park, or the landlord's documentation of a violation of the provisions of Title 45, chapter 9, for which the notice period is 14 days;

~~(j)~~(m) changes in the use of the land if the requirements of subsection (2) are met~~. For this subsection (1)(j)~~, for which the notice period ~~referred to in 70-24-422(1)~~ is 180 days~~.~~;

~~(k)~~(n) ~~a~~ any legitimate business reason not covered elsewhere in subsection (1), provided that the landlord meets the following requirements:

(i) the termination does not violate a provision of this section or any other state statute; and

(ii) the landlord has given the mobile home owner or tenant of the mobile home owner a minimum of 90 days' written notice of the termination.

(2) If a landlord plans to change the use of all or part of the land composing the mobile home park from mobile home lot rentals to some other use, each affected mobile home owner must receive notice from the landlord as follows:

(a) The landlord shall give the mobile home owner and a tenant of the mobile home owner at least 15 days' written notice that the landlord will be appearing before a unit of local government to request permits for a change of use of the mobile home park.

(b) After all required permits requesting a change of use have been approved by the unit of local government, the landlord shall give the mobile home owner and a tenant of the mobile home owner 6

months' written notice of termination of tenancy. If the change of use does not require local government permits, the landlord shall give the written notice at least 6 months prior to the change of use. In the notice, the landlord shall disclose and describe in detail the nature of the change of use.

(c) Prior to entering a rental agreement during the 6-month notice period referred to in subsection (2)(b), the landlord shall give each prospective mobile home owner, and any tenant of the mobile home owner whose identity and address ~~has~~ HAVE been provided to the landlord, written notice that the landlord is requesting a change in use before a unit of local government or that a change in use has been approved.

(3) For purposes of calculating the total number of notices given within a 12-month period under subsection (1)~~(b)~~(e), only one notice for each violation per month may be included in the calculation.

~~(4) IF THE TENANT DESTROYS, DEFACES, DAMAGES, IMPAIRS, OR REMOVES ANY PART OF THE PREMISES IN VIOLATION OF 70-24-321(2), THE LANDLORD MAY TERMINATE THE RENTAL AGREEMENT UPON GIVING 3 DAYS' WRITTEN NOTICE SPECIFYING THE BREACH UNDER THE PROVISIONS OF 70-24-321(2).~~

~~(5) EXCEPT AS PROVIDED IN THIS CHAPTER, THE LANDLORD MAY RECOVER ACTUAL DAMAGES AND OBTAIN INJUNCTIVE RELIEF FOR ANY NONCOMPLIANCE BY THE TENANT WITH THE RENTAL AGREEMENT OR 70-24-321. EXCEPT AS PROVIDED IN SUBSECTION (6), IF THE TENANT'S NONCOMPLIANCE IS PURPOSEFUL, THE LANDLORD MAY RECOVER TREBLE DAMAGES.~~

~~(6) TREBLE DAMAGES MAY NOT BE RECOVERED FOR THE TENANT'S EARLY TERMINATION OF THE TENANCY.~~"

Section 3. Section 70-24-441, MCA, is amended to read:

"70-24-441. Termination by landlord or tenant -- applicability. (1) The landlord or the tenant may terminate a week-to-week tenancy by a written notice given to the other at least 7 days before the termination date specified in the notice.

(2) The landlord or the tenant may terminate a month-to-month tenancy by giving to the other at any time during the tenancy at least 30 days' notice in writing prior to the date designated in the notice for the termination of the tenancy.

(3) The tenancy terminates on the date designated and without regard to the expiration of the period for which, by the terms of the tenancy, rents are to be paid. Unless otherwise agreed, rent is uniformly apportionable from day to day.

(4) The provisions of this section do not apply to a tenant who rents space for a mobile home in a mobile home park but does not rent the mobile home."

NEW SECTION. **Section 4. Applicability.** The notice provisions of 70-24-422 and 70-24-436 apply to existing rental agreements to the extent that an existing rental agreement does not contain specific notice provisions.

- END -

HISTORY AND FINAL STATUS

of Bills and Resolutions of the

SENATE

and

HOUSE OF REPRESENTATIVES

of the State of Montana

FIFTY-SEVENTH LEGISLATURE

REGULAR SESSION
January 3, 2001, through April 21, 2001

TOM BECK
President of the Senate

ROSANA SKELTON
Secretary of the Senate

DAN McGEE
Speaker of the House

MARILYN MILLER
Chief Clerk of the House

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FIFTY-SEVENTH LEGISLATURE

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OF MONTANA

REGULAR SESSION
January 3, 2001, through April 21, 2001

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JIM GORDON
Systems Analyst

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Input Technician

NADINE E. FOX
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Typesetting

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HB 559 Introduced by Noennig, et al. *LC1404 Drafter: B. Campbell*

Revise Notice Periods for Termination of Landlord-tenant Rental Agreements

2/12	Introduced		
2/12	Referred to Business and Labor		
2/15	Hearing		
2/16	Committee Executive Action--Bill Passed	12	7
2/16	Committee Report--Bill Passed		
2/17	Rereferred to Business and Labor		
2/17	Committee Executive Action--Bill Passed as Amended	12	7
2/17	Committee Report--Bill Passed as Amended		
2/20	2nd Reading Passed	73	27
2/21	3rd Reading Passed	79	21
	Transmitted to Senate		
2/28	Referred to Business and Labor		
3/02	Rereferred to Judiciary		
3/12	Hearing		
3/27	Committee Executive Action--Bill Concurred as Amended	7	1
3/27	Committee Report--Bill Concurred as Amended		
3/30	2nd Reading Concurred on Voice Vote	47	0
3/31	3rd Reading Concurred	48	0
	Returned to House with Amendments		
4/05	2nd Reading Senate Amendments Not Concurred	85	15
4/05	Conference Committee Appointed		
4/09	Conference Committee Appointed		
4/10	Hearing		
4/10	Conference Committee Report Received		
4/10	Conference Committee Report Received		
4/11	2nd Reading Conference Committee Report Adopted Motion Failed	18	28
4/11	2nd Reading Conference Committee Report Rejected	36	11
4/12	Hearing		
4/16	Conference Committee Report Received		
4/17	Conference Committee Report Received		
4/17	2nd Reading Conference Committee Report Rejected Motion Failed	22	28
4/17	2nd Reading Conference Committee Report Adopted	32	18
4/18	2nd Reading Conference Committee Report Adopted	83	14
4/18	3rd Reading Conference Committee Report Adopted	31	18
4/19	3rd Reading Conference Committee Report Adopted	80	20
4/19	Sent to Enrolling		
4/20	Returned from Enrolling		
4/20	Signed by Speaker		
4/20	Signed by President		
4/21	Transmitted to Governor		
4/30	Signed by Governor		
4/30	Chapter Number Assigned		
	Chapter Number 456		
	Effective Date: 10/01/2001 - All Sections		

HB 560 Introduced by Noennig, et al. *LC0828 Drafter: Petesch*

Revise Law on Offer of Settlement

2/12	Introduced		
2/12	Referred to Judiciary		
2/16	Hearing		
2/16	Committee Executive Action--Bill Passed as Amended	19	0
2/16	Committee Report--Bill Passed as Amended		
2/20	2nd Reading Passed	97	2
2/21	3rd Reading Passed	98	2

Bill Draft Number: LC1404
Bill Type - Number: HB 559
Short Title: Revise notice periods for termination of landlord-tenant rental agreements
Primary Sponsor: Mark E Noennig (R) HD 9
Chapter Number: 456

Bill Actions - Current Bill Progress: Became Law

Bill Action Count: 80

Action - Most Recent First	Date	Votes Yes	Votes No	Committee
Chapter Number Assigned	04/30/2001			
(H) Signed by Governor	04/30/2001			
(H) Transmitted to Governor	04/21/2001			
(S) Signed by President	04/20/2001			
(H) Signed by Speaker	04/20/2001			
(H) Returned from Enrolling	04/20/2001			
(C) Printed - New Version Available	04/20/2001			
(C) Printed - New Version Available	04/20/2001			
(H) Sent to Enrolling	04/19/2001			
(H) 3rd Reading Conference Committee Report Adopted	04/19/2001	80	20	
(H) Scheduled for 3rd Reading	04/19/2001			
(S) 3rd Reading Conference Committee Report Adopted	04/18/2001	31	18	
(H) 2nd Reading Conference Committee Report Adopted	04/18/2001	83	14	
(S) Scheduled for 3rd Reading	04/18/2001			
(H) Scheduled for 2nd Reading	04/18/2001			
(S) 2nd Reading Conference Committee Report Adopted	04/17/2001	32	18	
(S) 2nd Reading Conference Committee Report Reject Motion Failed	04/17/2001	22	28	
(H) Conference Committee Report Received	04/17/2001			(H) Conference
(S) Scheduled for 2nd Reading	04/17/2001			
(S) Conference Committee Report Received	04/16/2001			(S) Conference
(H) Hearing	04/12/2001			(H) Conference
(S) 2nd Reading Conference Committee Report Rejected	04/11/2001	36	11	
(S) 2nd Reading Conference Committee Report Adopt Motion Failed	04/11/2001	18	28	
(S) Scheduled for 2nd Reading	04/11/2001			
(S) Conference Committee Report Received	04/10/2001			(S) Conference
(H) Conference Committee Report Received	04/10/2001			(H) Conference
(H) Hearing	04/10/2001			(H) Conference
(S) Conference Committee Appointed	04/09/2001			
(H) Conference Committee Appointed	04/05/2001			
(H) 2nd Reading Senate Amendments Not Concurred	04/05/2001	85	15	

(H) Scheduled for 2nd Reading	04/05/2001			
(S) Returned to House with Amendments	03/31/2001			
(S) 3rd Reading Concurred	03/31/2001	48	0	
(S) 2nd Reading Concurred on Voice Vote	03/30/2001	47	0	
(S) Scheduled for 2nd Reading	03/30/2001			
(C) Printed - New Version Available	03/27/2001			
(S) Committee Report--Bill Concurred as Amended	03/27/2001			(S) Judiciary
(S) Committee Executive Action--Bill Concurred as Amended	03/27/2001	7	1	(S) Judiciary
(S) Hearing	03/12/2001			(S) Judiciary
(S) Rereferred to Committee	03/02/2001			(S) Judiciary
(S) Referred to Committee	02/28/2001			(S) Business and Labor
(S) First Reading	02/28/2001			
(H) Transmitted to Senate	02/21/2001			
(H) 3rd Reading Passed	02/21/2001	79	21	
(H) Scheduled for 3rd Reading	02/21/2001			
(H) 2nd Reading Passed	02/20/2001	73	27	
(H) Scheduled for 2nd Reading	02/20/2001			
(C) Printed - New Version Available	02/19/2001			
(H) Committee Report--Bill Passed as Amended	02/17/2001			(H) Business and Labor
(H) Committee Executive Action--Bill Passed as Amended	02/17/2001	12	7	(H) Business and Labor
(H) Rereferred to Committee	02/17/2001			(H) Business and Labor
(H) Committee Report--Bill Passed	02/16/2001			(H) Business and Labor
(H) Committee Executive Action--Bill Passed	02/16/2001	12	7	(H) Business and Labor
(H) Hearing	02/15/2001			(H) Business and Labor
(C) Introduced Bill Text Available Electronically	02/12/2001			
(H) Referred to Committee	02/12/2001			(H) Business and Labor
(H) First Reading	02/12/2001			
(H) Introduced	02/12/2001			
(C) Draft Delivered to Requester	02/08/2001			
(C) Draft Ready for Delivery	02/07/2001			
(C) Draft in Assembly/Executive Director Review	02/06/2001			
(C) Draft in Input/Proofing	02/06/2001			
(C) Draft to Drafter - Edit Review	02/06/2001			
(C) Draft in Edit	02/06/2001			
(C) Draft in Legal Review	02/06/2001			
(C) Draft Back for Redo	02/06/2001			
(C) Draft in Final Drafter Review	02/05/2001			

(C) Bill Draft Text Available Electronically	02/05/2001
(C) Draft in Input/Proofing	02/05/2001
(C) Draft to Drafter - Edit Review	02/05/2001
(C) Draft in Edit	02/03/2001
(C) Draft in Legal Review	02/02/2001
(C) Draft to Requester for Review	02/01/2001
(C) Draft to Requester for Review	01/30/2001
(C) Draft to Requester for Review	01/27/2001
(C) Draft On Hold	01/24/2001
(C) Draft to Requester for Review	01/23/2001
(C) Draft On Hold	01/05/2001
(C) Draft to Requester for Review	01/05/2001
(C) Draft Request Received	01/02/2001

Sponsor, etc.

Sponsor, etc.	Last Name/Organization	First Name	Mi
Requester	Noennig	Mark	E
Drafter	Campbell	Bart	
Primary Sponsor	Noennig	Mark	E

Subjects

Description	Revenue/Approp.	Vote Majority Req.	Subject Code
Landlord and Tenant		Simple	LT

Additional Bill Information

Fiscal Note Probable: No
Preintroduction Required: N
Session Law Ch. Number: 456
DEADLINE
Category: General Bills
Transmittal Date: 02/23/2001
Return (with 2nd house amendments) Date: 03/31/2001

Section Effective Dates

Section(s)	Effective Date	Date Qualified
All Sections	01-OCT-01	

CHAPTER NO. 456

[HB 559]

AN ACT GENERALLY REVISING THE NOTICE PERIODS FOR LANDLORDS NOTIFYING TENANTS OF INTENDED TERMINATION OF THE RENTAL AGREEMENT FOR NONCOMPLIANCE OR VIOLATION OF THE RENTAL AGREEMENT OR OTHER PROVISIONS OF THE MONTANA RESIDENTIAL LANDLORD AND TENANT ACT OF 1977; AMENDING SECTIONS 70-24-422, 70-24-436, AND 70-24-441, MCA; AND PROVIDING AN APPLICABILITY PROVISION.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 70-24-422, MCA, is amended to read:

"70-24-422. Noncompliance of tenant generally — landlord's right of termination — damages — injunction. (1) Except as provided in ~~this chapter~~ *this chapter*, if there is a noncompliance by the tenant with the rental agreement or a noncompliance with 70-24-321 ~~affecting health and safety~~, the landlord may deliver a written notice to the tenant pursuant to 70-24-108 specifying the acts and omissions constituting the ~~breach~~ *noncompliance* and that the rental agreement will terminate upon a date *specified in the notice* not less than ~~14~~ *the minimum number of* days after receipt of the notice *provided for in this section*. ~~If the breach is not remedied within that time, the~~ *The* rental agreement terminates as provided in the notice, subject to the following ~~exceptions~~:

(a) If the ~~breach~~ *noncompliance* is remediable by repairs, the payment of damages, or otherwise and the tenant adequately remedies the ~~breach~~ *noncompliance* ~~before the date specified in the notice~~ *before the date specified in the notice*, the rental agreement does not terminate.

(b) If the ~~breach~~ *noncompliance* involves an unauthorized pet, the *notice period is* ~~landlord may deliver a written notice to the tenant that the rental agreement will terminate upon a date not less than~~ 3 days ~~after receipt of the notice if the breach is not remedied within that time. This subsection does not apply to a rental agreement involving a tenant who rents space to park a mobile home but who does not rent the mobile home~~.

(c) If the ~~breach~~ *noncompliance* involves unauthorized persons residing in the rental unit, ~~the landlord may deliver a written notice to the tenant that the rental agreement will terminate upon a date not less than 3 days after receipt of the notice if the breach is not remedied within that time. This subsection does not apply to a rental agreement involving a tenant who rents space to park a mobile home but who does not rent the mobile home~~ *the notice period is 3 days*.

(d) If the noncompliance is not listed in subsection (1)(b) ~~or~~ or (1)(c),, the notice period is 14 days.

~~(d)~~*(e)* If substantially the same act or omission that constituted a prior noncompliance of which notice was given recurs within 6 months, the landlord may terminate the rental agreement upon at least 5 days' written notice specifying the ~~breach~~ *noncompliance* and the date of the termination of the rental agreement.

(f) This subsection (1) does not apply to a rental agreement involving a tenant who rents space for a mobile home but does not rent the mobile home.

(2) ~~(a) Except as provided in subsection (2)(b), if~~ *If* rent is unpaid when due and the tenant fails to pay rent within 3 days after written notice by the landlord of nonpayment and the landlord's intention to terminate the rental agreement if the rent is not paid within that period, the landlord may terminate the rental agreement. *This subsection does not apply to a rental agreement involving a tenant who rents space for a mobile home but does not rent the mobile home.*

~~(b) For a rental agreement involving a tenant who rents space to park a mobile home but who does not rent the mobile home, the notice period referred to in subsection (2)(a) is 15 days.~~

(3) If the tenant destroys, defaces, damages, impairs, or removes any part of the premises in violation of 70-24-321(2), the landlord may terminate the rental agreement upon giving 3 days' written notice specifying the ~~breach~~ *noncompliance* under the provisions of 70-24-321(2).

(4) Except as provided in this chapter, the landlord may recover actual damages and obtain injunctive relief for any noncompliance by the tenant with the rental agreement or 70-24-321. Except as provided in subsection (5), if the tenant's noncompliance is purposeful, the landlord may recover treble damages.

(5) Treble damages may not be recovered for the tenant's early termination of the tenancy.

(6) Subsections (3) through (5) apply to all rental agreements, including those involving a tenant who rents space for a mobile home but does not rent the mobile home.

~~(6)~~*(7)* The landlord is not bound by this section in the event that:

(a) the rental agreement does not involve a tenant who rents space for a mobile home but does not rent the mobile home; and

(b) the landlord elects to use the 30-day notice for termination of tenancy as provided in 70-24-441."

Section 2. Section 70-24-436, MCA, is amended to read:

"70-24-436. Mobile home parks — grounds for termination of rental agreement. (1) ~~A landlord of a mobile home park may terminate a rental agreement only by following the procedure set forth in 70-24-422, except as specifically provided in this section, and only for one or more of the following reasons~~ *With respect to a tenant who rents space in a mobile home park but does not rent the mobile home, if there is a noncompliance by the tenant with the rental agreement or with a provision of 70-24-321, the landlord may deliver a written notice to the tenant pursuant to 70-24-108 specifying the acts or omissions constituting the noncompliance and stating that the rental agreement will terminate upon a date specified in the notice that may not be less than the minimum number of days after receipt of the notice provided for in this section. The rental agreement terminates as provided in the notice for one or more of the following reasons and subject to the following conditions*:

(a) nonpayment of rent, late charges, or common area maintenance fees as established in the rental agreement, *for which the notice period is 7 calendar days*;

(b) ~~late payment of rent, late charges, or common area maintenance fees as established in the rental agreement three or more times within a 12-month period if written notice is given by the landlord after each failure to pay, as~~

~~required by 70-24-422. For this subsection (1)(b), the notice period referred to in 70-24-422(1) is 30 days.~~ *a violation of a mobile home park rule other than provided for in subsection (1)(a) that does not create an immediate threat to the health and safety of any resident of the mobile home park or its manager or owner, for which the notice period is 14 days;*

(c) *a* violation of a mobile home park rule that creates an immediate threat to the health and safety of any resident of the mobile home park, *its manager, or its owner, the notice period is 24 hours;* ~~if the violation has not been remedied 24 hours after the violator is given written notice of the violation;~~

(d) subject to the right to terminate in subsections (1)(e) through (1)(l), if the noncompliance described in subsections (1)(a) through (1)(c) is remediable by repairs, the payment of damages, or otherwise, and the tenant adequately remedies the noncompliance before the date specified in the notice, the rental agreement does not terminate as a result of that noncompliance;

(e) late payment of rent, late charges, or common area maintenance fees as established in the rental agreement three or more times within a 12-month period if written notice is given by the landlord after each failure to pay, as required by subsection (1)(a), for which the notice period for termination for the final late payment is 30 days;

(f) a violation of a mobile home park rule that creates an immediate threat to the health and safety of any resident of the mobile home park, its manager, or owner, whether or not notice was given pursuant to subsection (1)(c) and the violation was remedied as provided in subsection (1)(d), for which the notice period for termination is 14 days;

~~(d) two or more violations within a 12-month period of any combination of one or more mobile home park rules, the violation of which would have a significant adverse impact on the mobile home park or its residents and that are so designated;~~

~~(e)~~*(g)* two or more violations within a 12-month period of the same rule~~. For this subsection (1)(e), the~~ *for which notice has been given for each prior violation as provided in subsection (1)(a), (1)(b), or (1)(c), for which the* notice period ~~referred to in 70-24-422(1) is~~ *for termination for the final violation is* 30 days~~.~~*;*

~~(f)~~*(h)* two or more violations of 70-24-321(1) within a 12-month period ~~or~~*, for which the notice period for termination for the final violation is 14 days;*

(i) any violation of 70-24-321(2)*, for which the notice period is as provided in 70-24-422(3);*

~~(g)~~*(j)* disorderly conduct that results in disruption of the rights of others to the peaceful enjoyment and use of the premises~~. For this subsection (1)(g)~~*, for which* the notice period ~~referred to in 70-24-422(1)~~ is 30 days~~.~~*;*

~~(h)~~*(k) any other noncompliance or violation not covered by subsection (1)(a) through (1)(j) that* endangers other residents or mobile home park personnel or causes substantial damage to the mobile home park premises*, for which the notice period is 14 days*;

~~(i)~~*(l)* conviction of the mobile home owner or a tenant of the mobile home owner of a violation of a federal or state law or local ordinance, when the violation is detrimental to the health, safety, or welfare of other residents or the landlord of the mobile home park, or the landlord's documentation of a violation of the provisions of Title 45, chapter 9*, for which the notice period is 14 days*;

~~(j)~~*(m)* changes in the use of the land if the requirements of subsection (2) are met. ~~For this subsection (1)(j)~~, *for which* the notice period ~~referred to in 70-24-422(1)~~ is 180 days.~~;~~

~~(k)~~*(n)* ~~a~~ *any* legitimate business reason *not covered elsewhere in subsection (1)*, provided that the landlord meets the following requirements:

(i) the termination does not violate a provision of this section or any other state statute; and

(ii) the landlord has given the mobile home owner or tenant of the mobile home owner a minimum of 90 days' written notice of the termination.

(2) If a landlord plans to change the use of all or part of the land composing the mobile home park from mobile home lot rentals to some other use, each affected mobile home owner must receive notice from the landlord as follows:

(a) The landlord shall give the mobile home owner and a tenant of the mobile home owner at least 15 days' written notice that the landlord will be appearing before a unit of local government to request permits for a change of use of the mobile home park.

(b) After all required permits requesting a change of use have been approved by the unit of local government, the landlord shall give the mobile home owner and a tenant of the mobile home owner 6 months' written notice of termination of tenancy. If the change of use does not require local government permits, the landlord shall give the written notice at least 6 months prior to the change of use. In the notice, the landlord shall disclose and describe in detail the nature of the change of use.

(c) Prior to entering a rental agreement during the 6-month notice period referred to in subsection (2)(b), the landlord shall give each prospective mobile home owner, and *any* tenant of the mobile home owner *whose identity and address have been provided to the landlord,* written notice that the landlord is requesting a change in use before a unit of local government or that a change in use has been approved.

(3) For purposes of calculating the total number of notices given within a 12-month period under subsection (1)~~(b)~~*(e)*, only one notice for each violation per month may be included in the calculation."

Section 3. Section 70-24-441, MCA, is amended to read:

"70-24-441. Termination by landlord or tenant — *applicability.* (1) The landlord or the tenant may terminate a week-to-week tenancy by a written notice given to the other at least 7 days before the termination date specified in the notice.

(2) The landlord or the tenant may terminate a month-to-month tenancy by giving to the other at any time during the tenancy at least 30 days' notice in writing prior to the date designated in the notice for the termination of the tenancy.

(3) The tenancy terminates on the date designated and without regard to the expiration of the period for which, by the terms of the tenancy, rents are to be paid. Unless otherwise agreed, rent is uniformly apportionable from day to day.

(4) The provisions of this section do not apply to a tenant who rents space for a mobile home in a mobile home park but does not rent the mobile home."

Section 4. Applicability. The notice provisions of 70-24-422 and 70-24-436 apply to existing rental agreements to the extent that an existing rental agreement does not contain specific notice provisions.

Approved April 30, 2001

CHAPTER NO. 457

[HB 570]

AN ACT REVISING WATER LAWS; AUTHORIZING A COUNTY ATTORNEY TO BRING AN INDEPENDENT ACTION FOR THE ENFORCEMENT OF WATER USE LAWS; CHANGING THE ALLOWABLE TIME FOR ATTEMPTING TO OBTAIN VOLUNTARY COMPLIANCE; PROVIDING FOR THE DEPOSIT OF PENALTIES COLLECTED PURSUANT TO AN INDEPENDENT ACTION; AMENDING SECTIONS 85-2-114, 85-2-122, AND 85-2-123, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 85-2-114, MCA, is amended to read:

"85-2-114. Judicial enforcement. (1) If the department ascertains, by a means reasonably considered sufficient by it, that a person is wasting water, using water unlawfully, preventing water from moving to another person having a prior right to use the water, or violating a provision of this chapter, it may, after reasonable attempts have failed to obtain voluntary compliance as provided in subsection (4), petition the district court supervising the distribution of water among appropriators from the source to:

(a) regulate the controlling works of an appropriation as may be necessary to prevent the wasting or unlawful use of water or to secure water to a person having a prior right to its use;

(b) order the person wasting, unlawfully using, or interfering with another's rightful use of the water to cease and desist from doing so and to take ~~such~~ steps ~~as~~ *that* may be necessary to remedy the waste, unlawful use, or interference; or

(c) issue a temporary, preliminary, or permanent injunction to prevent a violation of this chapter. Notwithstanding the provisions of Title 27, chapter 19, part 3, a temporary restraining order must be granted if it clearly appears from the specific facts shown by affidavit or by the verified complaint that a provision of this chapter is being violated.

(2) Upon the issuance of an order or injunction, the department may attach to the controlling works a written notice, properly dated and signed, setting forth the fact that the controlling works have been properly regulated by it~~, which~~ *The* notice ~~shall be~~ *constitutes* legal notice to all persons interested in the appropriation or distribution of the water.

(3) The department may also direct its own attorney or request the attorney general or county attorney to bring suit to enjoin ~~such~~ *the* waste, unlawful use, interference, or violation. *The county attorney may prosecute under 85-2-122(1) or bring an action under 85-2-122(2) without being requested to do so by the department. The attorney general and a county attorney are subject to the voluntary compliance provisions of subsection (4).*

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 15, 2001 at 7:00 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:
Rep. Joe McKenney, Chairman (R)
Rep. Rod Bitney, Vice Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Brett Tramelli (D)
Rep. James Whitaker (R)

Members Excused: None.

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted:
Executive Action: HB559, HB514, HB517, HB530, HB519, HB537, HB394, HB422

EXECUTIVE ACTION ON HB422

Motion: **REP. BITNEY** moved that **HB422 DO PASS.**

Discussion:
Substitute Motion: **REP. BITNEY** made a substitute motion that **HB422 BE TABLED.**

Vote: Motion **carried unanimously.**

EXECUTIVE ACTION ON HB537

Motion: **REP. PRICE** moved that **HB537 DO PASS.**

Discussion:
Motion/Vote: **REP. PRICE** moved that **HB537 BE AMENDED. Motion carried unanimously.**

Motion/Vote: **REP. PRICE** moved that **HB537 DO PASS AS AMENDED. Motion carried unanimously.**

EXECUTIVE ACTION ON HB519

Motion: **REP. GALVIN-HALCRO** moved that **HB519 DO PASS.**

Discussion:

Motion: **REP. GALVIN-HALCRO** moved that **HB519 BE AMENDED.**

Discussion:

Mr. Higgins noted the amendments were offered by the Department of Justice.

Vote: Motion **HB519 carried unanimously.**

Motion/Vote: **REP. GALVIN-HALCRO** moved that **HB519 DO PASS AS AMENDED. Motion carried 18-1 with Gallik voting no.**

EXECUTIVE ACTION ON HB394

Motion: **REP. GALLIK** moved that **HB394 DO PASS.**

Discussion:

Motion: **REP. MATTHEWS** moved that **HB394 BE AMENDED.**

Discussion:

REP. MATTHEWS offered an amendment to exclude counties with less than 14,000 population. He said this would include his county, Custer County, and half of Montana. He said he would not vote for the bill if his amendment did not pass.

CHAIRMAN MCKENNEY offered a substitute amendment to exclude counties with less than 140,000 population from the bill.

Discussion:

REP. BITNEY said, in theory, he supported **REP. MATTHEWS'** amendment and he would also be covered under **CHAIRMAN MCKENNEY's.**

REP. JUNEAU asked the committee "to go ahead and brave a vote, rather than ridicule the bill."

Motion/Vote: **REP. MCKENNEY** moved that **HB394 be amended. The motion failed 8-11 with Bitney, Brown, Himmelberger, Laible, McKenney, Rome, Steinbeisser, and Whitaker voting aye.**

Motion/Vote: **REP. MATTHEWS** moved that **HB394 BE AMENDED. Motion carried 14-5 with Lawson, McKenney, Rome, Steinbeisser, and Whitaker voting no.**

Discussion:

Motion/Vote: **REP. PRICE** moved that **HB394 BE AMENDED. Motion carried 13-6 with Bookout-Reinicke, Himmelberger, Lawson, McKenney, Rome, and Steinbeisser voting no.**

Motion: **REP. PRICE** moved that **HB394 DO PASS AS AMENDED.**

Discussion:

REP. BROWN said "if you want to send a message that Montana is not open for business, this bill is it." He continued that this was a bill Montana does not need.
REP. LAIBLE said every commission and county which has grants already has a review system in place. He said this bill would be an additional layer of red tape which would kill economic development.

REP. HIMMELBERGER said he agreed with **REP. LAIBLE** that accountability was already in place. He called the bill "Anti-business with a Capital A." He also questioned the directive of the bill which said the business must meet a public service as well as a business service.

REP. BITNEY said wage and job goals are not government functions. He noted the bill called for payback of loans with interest upon failure to meet goals. He asked the question, "what if government had to pay back to the taxpayers, every time it failed to meet its goals."

Vote: Motion to pass **HB394** as amended **failed 9-10 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Lawson, Matthews, Musgrove, and Tramelli voting aye.**

Motion/Vote: **REP. BITNEY** moved that **HB394 BE TABLED. Motion carried 10-9 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Lawson, Matthews, Musgrove, and Tramelli voting no.**

EXECUTIVE ACTION ON HB530

Motion: **REP. BITNEY** moved that **HB530 DO PASS.**

Discussion:
Motion/Vote: **REP. LAIBLE** moved **HB530. Motion carried 14-5 with Gallik, Galvin-Halcro, Juneau, Keane, and Lawson voting no.**

Motion: **REP. LAIBLE** moved that **HB530 DO PASS AS AMENDED.**

Discussion:

REP. LAIBLE said there have been many changes in the Human Rights Commission. He noted there had been a 708 case backlog prior to the changes and they had dropped to 215 by July 2000. He said prior to the legislation the cases had averaged 488 days processing time, and this had dropped to 132 days. He also said

if there was some bias of the hearing officer this would give another venue.

REP. BROWN asked if it was so much better now, why was this bill needed.

REP. GALVIN-HALCRO questioned the fiscal impact and said since the situation had improved greatly, why not let it continue and not interfere.

REP. GALLIK said this bill seems like it would take more time and questioned why it was needed.

REP. FRITZ noted the claimants would be paying more costs going to court. She said if they need another hearings officer, then they should get one. She concluded saying she was against the bill.

REP. LAIBLE said he was for the bill. He noted it gives both parties the right to change if they don't like the hearings officer.

REP. BOOKOUT-REINICKE said she had written "No" on the top of the bill.

Vote: Motion that **HB530 DO PASS AS AMENDED failed 4-15 with Bitney, Himmelberger, Laible, and McKenney voting aye.**

Motion/Vote: **REP. KEANE** moved that **HB530 BE TABLED. Motion carried 15-4 with Bitney, Himmelberger, Laible, and McKenney voting no.**

{Tape : 2; Side : B; Approx.} ON HB559 Time Counter : 0

EXECUTIVE ACTION ON HB559

Motion: **REP. LAWSON moved HB559.**

Discussion:

Motion: **REP. LAWSON moved that HB559 BE AMENDED.**

Discussion:

Mr. Higgins said the amendments were an effort to put the bill as **REP. NOENNIG** wanted it, and included some editing and clarification.

Vote: Motion **HB559 NOENNIG AMENDMENT carried 18-1. Gallik NO.**

Motion: **REP. LAWSON** moved that **HB559 DO PASS AS AMENDED.**

Discussion:

REP. FRITZ stated that everything the people from her district said at the hearing today was true. She said they had to haul water to their yards.

REP. MATTHEWS said he was glad this bill had been brought to this committee's attention.

REP. WHITAKER said it is a good law which clears up confusion.

REP. MUSGROVE said he would like some assurances that the bill was fair to both parties, both landlord and tenant.

REP. LAIBLE said a tenant can be in arrears and pay up in full, and not have to "move down the road." He remarked that packing up a trailer and moving, is different from moving out of an apartment.

REP. GALLIK said he thought it was easier for the landlord's lawyer to defend than the tenant's. He said he liked the concept but thought it needed more balance.

REP. JUNEAU said she was against the bill because she felt the sponsor had not worked with the tenants to draft it.

REP. MATTHEWS said he would like to offer an amendment which would strike out "attorney fees."

REP. HIMMELBERGER said the attorney fees were a balance and the tenant is still able to bring up the back rents and be able to stay. He said landlords have expenses in enforcing lease.

REP. KEANE said he was going to vote against the bill even though he was a landlord, but if the attorney fees provision was taken out and the amendment passed, he would be for the bill.

REP. GALLIK said the amendment helps but most of the time there will be a lease, and then the landlords can put into it what they want to.

REP. LAIBLE explained he liked leaving in attorney fees because the landlord has to continue to fund the legal costs.

REP. PRICE said he would leave in "costs" if not "attorney fees."

REP. BROWN said if we do this we will stretch out time and there will be no incentive to pay sooner without the amendment.

Vote: Motion **HB559 AMENDMENT failed 8-11 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Matthews, Musgrove, and Tramelli voting aye.**

EXECUTIVE ACTION ON HB559

Vote: Motion that **HB559 DO PASS AS AMENDED carried 12-7 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, and Tramelli voting no.**

EXECUTIVE ACTION ON HB514

Motion: **REP. LAWSON** moved that **HB514 DO PASS.**

Discussion:

Motion: **REP. BOOKOUT-REINICKE** moved that **HB514 BE AMENDED.**

Discussion:

Mr. Higgins said the amendment was requested by Jent to mirror Tennessee legislation. He said it broadens the definition of calls which are not tele-marketers.

REP. GALLIK said there was similar language on the "Trudie Schmidt bill" saying local exchange telephone companies should fully cooperate.

Vote: Motion **HB514 BOOKOUT-REINICKE AMENDMENT carried 18-1 with Gallik voting no.**

Motion: **REP. BOOKOUT-REINICKE** moved that **HB514 DO PASS AS AMENDED.**

Discussion:

Mr. Higgins said a second set of amendments had been requested by the Department of Commerce. He said the amendment established an immediate effective date so the list can be established, and the rest will go into effect on October 1. It also would establish the fee by rule-making.

REP. BOOKOUT-REINICKE said she agreed with the amendments and moved them.

Vote: Motion **HB514 BOOKOUT-REINICKE AMENDMENTS #2 carried 10-9 with Bookout-Reinicke, Brown, Galvin-Halcro, Himmelberger, Keane, Lawson, Rome, Steinbeisser, and Whitaker voting no.**

Motion: **REP. BOOKOUT-REINICKE** moved that **HB514 DO PASS AS AMENDED.**

Discussion:

REP. BITNEY said the intention of the amendments is good, as a practical matter of enforcement, out-of-state violators could not be prosecuted. He called the bill a "feel-good bill which does nothing."

REP. GALLIK said, "When they call into the state we have jurisdiction over them, so we can prosecute them if we want to."

REP. WHITAKER said he could not support it because it was just one more regulation. He said , "just hang up the phone."

Vote: Motion **HB514 failed 9-10 with Bookout-Reinicke, Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, Price, and Tramelli voting aye.**

Motion/Vote: **REP. BOOKOUT-REINICKE** moved that **HB514 BE TABLED. Motion carried 10-9 with Bookout-Reinicke, Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Musgrove, Price, and Tramelli voting no.**

EXECUTIVE ACTION ON HB517

Motion: **REP. LAWSON** moved **HB517.**

Discussion:
Motion: **REP. LAWSON** moved that **HB517 BE AMENDED.**

Vote: Motion **carried unanimously.**

Motion: **REP. LAWSON** moved that **HB517 DO PASS AS AMENDED.**

Discussion:

Motion: **REP. MUSGROVE** moved that **HB517 BE AMENDED.**

Discussion:

REP. BOOKOUT-REINICKE said she did not want to amend the bill.

REP. GALVIN-HALCRO asked if **REP. MANGAN** knew about the amendment.

REP. MUSGROVE said he mentioned it makes it sound more like a resolution.

Vote: Motion **carried 15-4 with Bookout-Reinicke, Galvin-Halcro and Whitaker voting no.**

Motion/Vote: **REP. LAWSON** moved that **HB517 DO PASS AS AMENDED. Motion carried 18-1 with Whitaker voting no.**

ADJOURNMENT

Adjournment: 9:00 P.M.

_____
REP. JOE MCKENNEY, Chairman

_____
JANE NOFSINGER, Secretary

JM/JN

EXHIBIT ***(buh38aad)***

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 15, 2001 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:
Rep. Joe McKenney, Chairman (R)
Rep. Rod Bitney, Vice Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Brett Tramelli (D)
Rep. James Whitaker (R)

Members Excused: None.

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted: HB539, HB559, HB497, 2/12/2001
Executive Action: None

HEARING ON HB539

Sponsor: REP. JEFF MANGAN, HD45, GREAT FALLS

Proponents: Briana Kerstein, Montana People's Action
Mark Staples, National Lending Alliance
Mary Ann Bell, Montana Title Loans
Ron Rusho, Montana Title Loans
John Cadby, Montana Bankers Assn.
Dean Roberts, Division of Motor Vehicles
Steve Turkowicz, Montana Auto Dealers Assn.

Opponents: SEN. MIKE SPRAGUE, SD6, BILLINGS
Todd Koutz, Advance Finance
David Hall, Montana Title, Cash and Loan
William Jackson, Title Loans
Kevin Pfau, Liquid Assets

Opening Statement by Sponsor:

REP. JEFF MANGAN, HD45, GREAT FALLS, presented written testimony about the title loan industry. **EXHIBIT(buh38b01)** "This is a bill creating a Montana Title Loan Act," he said. The act will be administered by the Department of Commerce, he said, and it provides for licensure, fees, disclosure, limits, and penalties. He said licensure and disclosure equals consumer protection.

Proponents' Testimony:

Ms. Kerstein presented a letter from a Billings member of her organization who had experienced a problem with an auto title loan. **EXHIBIT(buh38b02)**
She said she felt there was a place for high risk loans but there was no place for "predators." She testified the licensure and disclosure part of the bill was the most important part. She said, "We cannot rely on the industry to police themselves." She continued, this bill will help low income people from getting "stuck in a loan they cannot get out of."

Mr. Staples said he was opposed to the bill, but he met with the sponsor, and felt if the amendment stayed, it would be a nice compromise. He said this business does not take advantage of people in tough circumstances, but instead is the only business which will help them. He noted the average amount of a loan was $400. The average household income of the borrowers was $40,000 to $60,000, but for some reason their credit was impaired. "These are not low-income borrowers," he said, " and the title loan companies hardly ever repossess a car."

Ms. Bill said her company did not target a particular type of person, but her customers chose not to deal with regular lending institutions. "We treat our customers with courtesy and respect, and they appreciate us," she said. She noted her company was there to help in time of a customer's need. She said that because of the amendments which had been put on the bill, she was a proponent.

Mr. Rusho said he was also a proponent of the bill with the added amendments. He noted that as the bill was originally written it "would have closed our doors." He added his business serves the needs of people who have no place else to go. He said that some of his customers could go to the bank but they liked his service. He told the committee that some loans were paid off in 3-4 months and some were paid off in a week.

Mr. Cadby said his concern had been with the titling process. He noted the amendment will put in some of the searches banks and car dealers do. Furthermore, he added, searches would be able to be conducted "real time" on the internet.

Mr. Roberts said the important thing for him was the whole new way to file and perfect liens. He noted most title loans require liens to be filed and perfected. He said his department would put an amendment in that would require the same lien procedure to secure a loan.

Mr. Turkowicz said he would remain a proponent as long as the lien is perfected.

Opponents' Testimony:

REP. SPRAGUE, SD6, Billings, told the committee that 15 years ago he went into the pawn shop business. As a police detective, he said he thought he could catch some thieves. He learned the business from another detective who sold it to him. He said the bill before the committee was prepared in a rush and has many flaws. "Even though **REP. MANGAN** says this bill does not affect pawn shops, it does," said **REP. SPRAGUE.** He also told the committee he had offered to help on the bill, but was not involved in its drafting. He said the essence of the bill is that the Department of Justice can adopt rules and implement the provisions. He pointed out these rules did not apply to banks, savings and loans and federally regulated institutions, and that was why they were not opposed to the bill. He said pawn shops are covered in other statutes and that is why the bill needs to be tabled. He reminded the committee if a bill is not done right, they will be spending a lot of time in doing it over. The first law on the books about pawn shops was in 1889, he said. He said

the last session **REP. MANGAN** had a bill about check cashing and that bill had a problem with it. He told of a friend in Billings who was holding $40,000 in bad checks as a result of that bill. He said these implications must be thought out, and this bill has unintended consequences.

Mr, Koutz explained that he was not afraid of licensing and held three licenses already. He noted he was unaware of the amendments, but was opposed to the bill. He said he had been in business for years before the check cashing bill was passed. Once the bill was passed, he noted, the customer could not pay an extension on the loan. He said he was holding $8000 in bad checks. He said the customers used to be able to come in and pay $15 when they couldn't pay $115, because the bill said the payoff had to be in 15 days. He concluded, "That was a bad bill, and this is a bad bill."

Mr. Hall said he had met with **REP. MANGAN** and the amendments here today are completely different. He said he was concerned the bill took away the rights of the customer to say how they want to pay off their loan. He stated the bill was done in haste and, **"REP. MANGAN** did not get back with me."

Mr. Jackson explained he ran a one person office. He said this bill creates an additional hardship on the customer due to the time restraint. "Sometimes a vehicle is brought in and dumped on our lot with a blown motor within the time period," he said. "We need a recourse when this happens," he said.

Mr. Pfau asked the committee to kill the bill. He said it adds one more layer to an already regulated industry.

Informational Witness: Chris Olson, Department of Commerce, said he would be available for questions.

Questions from Committee Members and Responses:

REP. LAIBLE asked **Mr. Olson** what kind of fees and licenses there were now. **Mr. Olson** said pawn shops were not his division, but there were 30 companies licensed under the title loan act. He noted from looking in phone books, he had counted 130. **REP. LAIBLE** asked if the licensing was voluntary or law. **Mr. Olson** said the state law is silent on title lenders. He said there are interest rate limits and these companies had chosen to register with the state.

REP. BITNEY asked **Mr. Rusho** about **Mr. Turkowicz's** concern over perfecting liens. **Mr. Rusho** said they do not loan if there is a lien, and noted they asked Deer Lodge directly. **REP. BITNEY** asked

about 2nd and 3rd liens and re-directed his question to **Mr. Roberts. Mr. Roberts** said, "No lender wants to be in the second position."

REP. GALLIK asked if the title loan goes into default, was there a provision for an amount over that which the borrower could be sued for. **REP. MANGAN** said, "No, the car is it."

Closing by Sponsor:

REP. MANGAN said the amendments he offered were better than the ones he talked to the opponents about. The heart of the bill is licensure and disclosure he said. He added that he thought his deferred deposit act from last session was working well.

{Tape : 2; Side : B; Approx. Time Counter : 0}

HEARING ON HB559

Sponsor: REP. MARK NOENNIG, HD9, BILLINGS

Proponents: Rhonda Carpenter, Montana Housing Provider
Peggy Trenk, Montana Realtors Assn.

Opponents: D.K. Mitchell, Circle J Mobile Home Tenants Assn.
Klaus Sitte, self
Briana Kerstein, Montana People's Action

Opening Statement by Sponsor:

REP. MARK NOENNIG, HD9, BILLINGS, said this bill clarifies landlord-tenant relationships in mobile home courts.
EXHIBIT(buh38b03)
He told the committee that as a lawyer, he represents tenants and landlords, and the law as currently written was difficult to administer. He said the mobile home portion was drafted onto previous legislation, and some of the notice requirements and penalties are not clear. He said the bill requires special notice time for certain violations, and requires that tenants must be given six months notice when the mobile home court is sold.

Proponents' Testimony:

Ms. Carpenter said her organization was composed of over 1100 members, and she remarked that 30% of Montanans rent their homes. She said this bill did not present substantial changes to the law, but that since the current law had been amended many times, this bill clarifies and ends the confusion which has been created over time. Regarding the notice period required by the current "notice to correct," law she asked, "If a tenant was shooting a gun, and he was given notice and he no longer shot the gun, would this be consider corrected?" She said if other tenants are mad, they can pick up and leave in 30 days."Today's bill provides if there is a health and safety factor, the tenant can be asked to move in 14 days," she said. She testified the "tenants are never bound to the landlord, but the landlord is bound to them." She explained in 1976 the law made sense, but the later amendments did not. "Today's bill improves the act and cleans up the circles," she said.

Ms. Trenk supported the bill on behalf of the members of Montana Realtors Association.

Opponents' Testimony:

Mr. Mitchell told of a situation in Missoula where the landlady cut off the watering rights of the tenants. He said the managing couple disagreed with this action and were evicted and had to move. He added that most mobile home parks will not take a mobile home over 10 years old.

Mr. Sitte testified he wrote the first mobile court bill and said the committee worked 100's of hours on it. He agreed it had been modified over the past 25 years, but only infrequently, and said input had been sought from both parties. He said today's bill breaks away from the balance between the landlords and tenants. Furthermore, he stated, the bill was not a simple revision. He said it completely changes the meaning of certain sections. He asked the committee to not pass the bill because in his opinion the bill would create more problems than it solves. "In order to work on a bill like this, it is a good idea to get both parties together," he added.

Ms. Kerstein said she represented many tenants around the state and she was strongly opposed to the bill. She said tenants were generally living in mobile homes because they could not afford other types of housing. She said tenants are subject to landlords' whims and this bill takes away tenants' rights, and strengthens landlords.

Questions from Committee Members and Responses:

REP. BITNEY asked **Mr. Mitchell** why the mobile home court could not water. **Mr. Mitchell** said the pretense was the well was going dry due to lots of building in the area. The tenants got more information and found there was nothing wrong with the water level. They concluded the landlady did not want to pay for the electricity to run the pump.

REP. GALLIk asked **REP. NOENNIG** why the bill did not just say, in a breach of contract, refer to the landlord agreement. **REP. NOENNIG** said the time limits had been put into the bill at the request of the tenants. He said he believed the intent of the current law was to allow eviction because of violations which can't be cured.

Closing by Sponsor:

REP. NOENNIG said the bill was fair, clear and easy to follow. He said the bill makes sense, and the tenant gets to stay if they pay their rent.

{Tape : 3; Side : B; Approx. Time Counter : 0}

HEARING ON HB497

Sponsor: REP. BILL PRICE, HD94, LEWISTOWN

Proponents: Mark Kredit, Kredit Electric
Mike Wilhelm, Wilhelm Electric
Jack McCleary, Action Electric, I.E.C.
Trevis Trams, self
Max Griffin, Action Electric
Marvin Wilson, Liberty Electric
Mike Waldenberg, Central Plumbing and Heating
Steve Vick, HD31, GALLATIN COUNTY
Zack Pallister, Big Sky Plumbing and Heating

{Tape : 4; Side : A; Approx. Time Counter : 0}

Doug Breker, Townsend Electric
Mike Christie, Christie Electric, Big Sky I.E.C.
Kathy Bare, Bare's Stove & Spa, Inc.
Carl Schweitzer, APHC

Opponents: Keith Allen, IBEW 233
Jennifer Brown, MT JATC

John Forkan, Silverbow Apprentice Committee
Bob Pavlovich, IBEW 233
Gary Becker, Yellowstone Electric
Jim Wolfe, Polar Electric
Ryan Flaherty, Kalispell apprentice
Joe McMillan, Eagle Electric
Gene Fenske, apprentice
Terry Leishman, self
Ron Sanger, self
Dennis Iverson, self
Gary Pemble, self

Opening Statement by Sponsor:

REP. BILL PRICE, HD94, LEWISTOWN, said this bill is about jobs and people working in honorable professions. The bill requires the ratio of journeyman electricians to apprentice electricians and journeyman plumbers to apprentice plumbers be set at 2:1 in each shop, and 1:1 on a job site. He said this bill will create more jobs and the opportunity for better wages and business growth.

Proponents' Testimony:

Mr. Kredit said his business needed skilled workers. He has 4 employees and it is hard to grow past 4 because it takes twelve years to train an electrician.

Mr. Wilhelm said he employs 7 people. His company has started their own school, he noted. He said currently they have 21 apprentices in 3 classes, and the contractors pay school costs. He said he gets 2-3 calls per week from young men who want to be electricians. "I tell them there are no openings because of the sate apprenticeship ratio," he said. He told the committee it was sad to not be able to develop the state's most precious resource, young people.

Mr. McCleary stated the 3:1 ratio was established in May 1950, and it was time for a change.

Mr. Trams told the committee he needed a good paying job. He said he had been trying to get an electrician's apprenticeship for three years. He asked the committee to give him the opportunity to stay in Montana and earn a decent living.

Mr. Griffin said he had been an electrician for 25 years, had started his company in 1985, and presently had 45 employees.

"Everyone should have the right to be an electrician," he said. "When we limit this right to a few, it creates a bad situation," he added. He pointed out that if the question is can the apprentices be properly trained and supervised, then why isn"t the 1:1 ratio for the small shop questioned. He said now if after a few years, a shop wants to hire one apprentice, then they have to hire three to train. He explained that on the site they almost always team up 1:1, and if there is a 3:1 ratio they cannot do that. In 1991, the national association established a standard with the U.S. Department of Labor and Industry of a 1:1 ratio for journeymen and apprentices. The opponents say safety is impacted by loosening ratios, but this is not an issue, he said. "We are missing the boat by not providing opportunities for our young people, " he said.

Mr. Wilson said he employed 50 full-time workers and 10 apprentices. He said in the long term this bill will help the state and the people of Montana. He said when he advertises, organized labor sends 15-20 people to apply. He explained if he hires one of them, they will disrupt his business, and if he doesn't hire one of them they will file charges against him.

Mr. Waldenburg noted he employed 80 people and 17 apprentices. He felt there was an extreme shortage of qualified trades people. He said he had to advertise in and out of state for workers. He said he had an in-house apprentice training program which they pay for themselves. "I am proud of our people and we are developing good ones," he said. He said he felt he had a good relationship with the Apprenticeship Office, but he would like to be more involved. He added he felt there was not enough involvement from the community.

Mr. Vick told the committee he was a home builder and a home re-modeler. He said there is a shortage in Montana of sub-contractors. He said this bill would be good for industry and employees.

Mr. Pallister said he had employed 35-75 employees and had trained a lot of apprentices over the years. He agreed that it is hard to find good people. He said the best apprentices he has had are from his father's shop, which is a one-man shop. He noted he strongly supported this bill.

{Tape : 4; Side : A; Approx. Time Counter : 0}

Doug Breker, Mike Christie, Kathy Bare, and Carl Schweitzer also appeared in support of HB497.

Opponents' Testimony:

Mr. Allen presented written testimony in opposition to the bill. He added that he didn't care what the proponents said about it being a safety issue, he thought this bill was all about cheap labor. **EXHIBIT(buh38b04)**
Ms. Brown presented written testimony from 25-30 apprentices. "I cringe when I hear people say this is not a safety issue," she said. "Three sets of eyes watching me are more comfortable than one set," she added. "My mistake on the job could cause a fire or an electrocution," she said. She concluded the 3:1 ratio required now is for safety. **EXHIBIT(buh38b05)**

Mr. Forkan said he did not believe the 1:1 ratio was enough. He said if the journeyman has to leave, the apprentice is on his own. He also said the bill would require an extra expense to the state. He said training does not create jobs, economic situations do. He continued that maybe the reason some of the proponents could not find skilled craft people is because they do not pay enough money. "We are not talking about a bunch of semi-skilled handymen," he said. He said the standards and ratios should be set and enforced.

Mr. Pavlovick told the committee the state board can issue more apprentice licenses if they need to. He noted there are layoffs out there and finding laborers are not a problem.

Mr. Wolfe said the bill was about creating cheap labor.

Mr. Pemble, Mr. Iverson, Mr. Sanger, Mr. Leishman, Mr. Rachor, Mr. McMillan and Mr. Flaherty rose in opposition to the bill.

Questions from Committee Members and Responses:

REP. GALVIN-HALCRO told **Mr. Macke** one of the proponents said they owned their school and asked if he knew about that school. **Mr. Macke** said the independent electricians had three schools for apprentices with instructors, classrooms and a curriculum which was approved at a national level. He said all three receive state funding for every instructional hour. He said they are good at reporting and have a decent system. He noted his department encourages this kind of thing.

REP. GALVIN-HALCRO asked **Mr. Holter** if there was a shortage of electricians and plumbers and what happens if there are too many. **M. Holter** said there were 45 members out of work in Helena, and 50 members were out of work in Billings. He said a lot of members have to leave Montana to find work.
{Tape : 4; Side : B; Approx. Time Counter : 0}

REP. GALVIN-HALCRO asked what would happen to wages if there were too many employees. **Mr. Macke** said if the market were flooded, the wages would decline.

REP. BROWN asked **Mr. Griffin** why the opponents said there was plenty of room for apprentices with the 5:1 ratio and the proponents said they couldn't get on. **Mr. Griffin** said the 5:1 is figured collectively. He added that Mr. Christie should have the right to hire more apprentices.

REP. KEANE asked **Mr. Allen** if the companies wanted to hire electricians, couldn't they call his union. **Mr. Allen** said they could and they have sent union people to non-union shops. He said, "I sent one to Dillon, and now that is a union shop."

REP. GALLIK asked **Mr. Macke** how many apprentices would be added if this bill became a law. **Mr. Macke** said there are 533 registered apprentices and they projected a growth rate of 12%. **REP. GALLIK** asked if it would require another employee. **Mr. Macke** said that one more would help. He added that apprenticeships are career opportunities and they would like to promote them.

REP. MUSGROVE asked what the prevailing wage was. **Mr Allen** replied that in Great Falls, Butte, Missoula, and Billings union rates were $21.18 hr. plus $6-7 hr. benefits.
He said non-union rates were $20.35 hr. plus full health and 401Ks.

Closing by Sponsor:

REP. PRICE said the committee should remember Montana's most precious resource, our young people, and pass this bill which would enable them to have better jobs.

ADJOURNMENT

Adjournment: 12:15 P.M.

_____
REP. JOE MCKENNEY, Chairman

_____

JANE NOFSINGER, Secretary

JM/JN

EXHIBIT(buh38bad)

MINUTES

MONTANA SENATE
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON JUDICIARY

Call to Order: By **CHAIRMAN LORENTS GROSFIELD**, on March 12, 2001 at 10:00 A.M., in Room 303 Capitol.

ROLL CALL

Members Present:
Sen. Lorents Grosfield, Chairman (R)
Sen. Duane Grimes, Vice Chairman (R)
Sen. Al Bishop (R)
Sen. Steve Doherty (D)
Sen. Mike Halligan (D)
Sen. Ric Holden (R)
Sen. Walter McNutt (R)
Sen. Jerry O'Neil (R)
Sen. Gerald Pease (D)

Members Excused: None.

Members Absent: None.

Staff Present: Valencia Lane, Legislative Branch
Cecile Tropila, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted: HB 559, HB 560, 3/7/2001

HEARING ON HB 559

Sponsor: **REP. MARK NOENNIG, HD 9, BILLINGS**

Proponents: **Ronda Carpenter, Lobbyist, MT. Housing Providers**
Chip Watts, Glentana Mobile Court, Billings
Ken Manning, Mobile Court, Kalispell
Peggy Trenk, MT. Assoc. of Realtors
Ronny Roach, Landlord, Great Falls
Vern Fischer, MT. Landlord Assoc., Great Falls

Rick Linafelter, President, Landlord Assoc.
Arnold Schlagel, Investment Property Mgmt. Great Falls
Jack Barrett, MT. Landlord Assoc. Kalispell
John VanNorman, MT. Landlord Assoc., Billings
Montana Watts, MT. Landlord Assoc. Billings
Ed McHugh, McHugh Mobile Home Park, Helena

Opponents: **Derek Birnie, Executive Director, MT. Peoples Action**
Melinda Hintz, MT. Peoples Action, Missoula
Alana Mueller, MT. Peoples Action, Missoula
Mary Brochard, MT. Peoples Action, Missoula
Judy Shelby, MT. Peoples Action, Missoula
Klaus Sitte, Representing Self
Wendy Young, WHEEL Group

Opening Statement by Sponsor:

REP. MARK NOENNIG, HD 9, BILLINGS, explained this bill clarifies the landlord and tenant law as it relates to the owners of mobile home parks. He said this bill does not eliminate the requirement for just cause when a person is evicted from a mobile home park. He mentioned the Montana Landlord and Tenant Act and expressed no relation pertaining to landlords, tenants and mobile home parks. He said there needs to be a reason for the landlord to terminate a tenant's home from the mobile home park. He pointed to the changes in the bill and went through each to clarify the changes to the committee.

Proponents' Testimony:

Ronda Carpenter, Lobbyist, MT. Housing Providers, explained what the intentions of this bill were and how it should assist mobile home park areas. She mentioned the changes in the bill and the notice periods pertaining to rent due as well as the filing involved with this. She said there is a difficulty with cash flow when mortgage payments are due and this needs more clarification within the bill. She felt by changing the notice period would be easily defined and assist landlords and tenants living in these mobile home parks. She stated this bill allows for just cause eviction to be used.

Chip Watts, Glentana Mobile Court, Billings, handed out rental agreement information **EXHIBIT(jus56a01).** He explained an incident dealing with an eviction from the mobile home park. He expressed the need for the change in notice period since many renters are late with payments and may receive these evictions.

Ken Manning, Mobile Court, Kalispell, handed out letters for committee members **EXHIBIT(jus56a02).** He asked for support of this bill.

Peggy Trenk, MT. Assoc. of Realtors, handed in her testimony **EXHIBIT(jus56a03).**

{Tape 1; Side B}

Ronny Roach, Landlord, Great Falls, supported this bill because he felt it brought clarity with defining the law and both parties would assist from this bill.

Vern Fischer, MT. Landlord Assoc., Great Falls, felt this bill would strengthen the issues that have happened in the past and he urged a do pass vote from the committee.

Rick Linafelter, President, Landlord Assoc., supported the bill and asked for the committee to pass it.

Arnold Schlagel, Investment Property Mgmt. Great Falls, requested the committee to vote yes on this bill.

Jack Barrett, MT. Landlord Assoc. Kalispell, was concerned about the present renters that are obeying the rules set forth from his mobile home park. He thought this bill was good legislation and needed to be passed.

John VanNorman, MT. Landlord Assoc., Billings, supported the bill and urged the committee to accept it.

Montana Watts, MT. Landlord Assoc. Billings, thanked the committee for their cooperation and urged a do pass for this bill.

Ed McHugh, McHugh Mobile Home Park, Helena, explained two incidences pertaining to evicting renters. He said this bill helps decipher the law to assist landlords and it is needed.

Opponents' Testimony:

Derek Birnie, Executive Director, MT. Peoples Action, felt concerned about this bill since it deals with low income housing participants. He stated the issues should be to improve the rights of mobile home parks, but this bill doesn't add those changes. He said this bill adds a balance of power to the landlord over the tenant. He said the Montana Landlord and Tenant Act should not be used for legislation of public safety and criminal law.

Melinda Hintz, MT. Peoples Action, Missoula, handed in her testimony **EXHIBIT(jus56a04)** and information pertaining to the landlord-tenant act **EXHIBIT(jus56a05).**

Alana Mueller, MT. Peoples Action, Missoula, read a letter from a renter of a mobile home park **EXHIBIT(jus56a06).**

Mary Brochard, MT. Peoples Action, Missoula, explained how she wanted to buy another mobile home and the process it involved. She didn't think this bill to be necessary and asked the committee for a do not pass.

Judy Shelby, MT. Peoples Action, Missoula, handed out information regarding the hurts of tenants **EXHIBIT(jus56a07).** She felt this bill was unnecessary and unfair allowing landlords new responsibilities and hurting the tenants.

{Tape 2; Side A}

Klaus Sitte, Representing Self, said he worked with the complete revision of the Montana Landlord and Tenant Laws back in 1975 during the legislature. He felt dismayed by this bill stating it breaks the long tradition of input between landlords and tenants. He said this bill breaks away from carefully balanced tradition and widens the space between landlords and tenants. He expressed the need to work on a bill that would strengthen these laws and how attorneys rarely work with these cases of eviction. He pointed out the significant change pertaining to a tenant to be evicted if they would not be able to pay attorney's fees. He urged a strong do not pass for this bill.

Wendy Young, WHEEL Group, mentioned the low income tenants living in these mobile home parks and how this bill becomes unfair to their rights. She thought a better solution between tenants and landlords should be found and this bill should not pass.

Questions from Committee Members and Responses:

SEN. STEVE DOHERTY asked about the proposals wondering which were confusing and contradictory. **Klaus Sitte** explained the distinction of the rental agreement and the notice of agreement.

SEN. DOHERTY asked specifics of any other contradictory language. **Klaus Sitte** said it does not clarify where it should clarify.

SEN. DOHERTY asked if he could point out where the language wasn't clarifying. **Klaus Sitte** said this bill doesn't allow for

clarification and it needs issues addressed. He said the issues would be with the rules of the mobile home park.

SEN. DOHERTY asked why the attorney's fees were reciprocal. **REP. NOENNIG** commented on the last question stating it deals with current law. He then replied the attorney's fees from 70-24-442 of the Montana Act are discretionary fees to the party involved. He stated the language being discussed is a narrow circumstance where a tenant is in default for failure to pay rent.

SEN. JERRY O'NEIL asked if the attorney's fees would be for the landlord or prevailing party. **REP. NOENNIG** said with current law the court has discretion to award attorney's fees to the prevailing party.

SEN. O'NEIL mentioned an incident with a tenant and the sewer system not working. He asked if the tenant refused rent would the landlord receive attorney's fees. **REP. NOENNIG** said whether or not the tenant held the rent is a separate issue. He said the landlord is liable under the code and would be responsible for paying the tenant's attorney's fees.

SEN. O'NEIL suggested an amendment explaining the prevailing party. **REP. NOENNIG** said it wouldn't assist the bill because this is a narrow incidence that occurs.

SEN. O'NEIL said this incidence should have a provision in the law dealing with the reason to not pay rent. **REP. NOENNIG** explained essential services withheld and how the tenant can give a notice to the landlord.

SEN. O'NEIL said the renter withheld paying rent until the landlord would take care of the problem and the renter ended up paying attorney's fees, he felt the prevailing party would have to pay attorney's fees according to the court's discretion. **REP. NOENNIG** agreed the prevailing party should have to pay the fees in this type of incidence.

CHAIRMAN GROSFIELD asked if this bill required reasonable attorney fees and who decides what is reasonable attorney's fees would be. **REP. NOENNIG** said this bill allows the person to pay full amount to avoid forfeiture.

CHAIRMAN GROSFIELD asked if the tenant had to pay attorney's fees on top of paying rent plus if the landlord prevailed in a court case would that be possible. **REP. NOENNIG** said it could be possible, but didn't sound reasonable. He said the court would decide the fees and he pointed out the three day notice and the time of the complaint being filed.

CHAIRMAN GROSFIELD thought if this bill passed and the landlord received the attorney's fees then the landlord should turn it over to the attorney after the three day notice period. **REP. NOENNIG** said they are responsible to pay the attorneys whether they collect the fees or not.

{Tape 2; Side B}

CHAIRMAN GROSFIELD asked, regarding the incident that was mentioned from one of the proponent's testimony, how to justify between a dispute of a landlord and tenant or a crime. **REP. NOENNIG** said if a crime was involved then there wouldn't be an eviction. **Ronda Carpenter** said with this incidence the tenant was the perpetrator, but the victim could not be evicted due to the law that provides protection of the tenants.

CHAIRMAN GROSFIELD asked if this is a small percentage of tenants needing to be evicted and is it generally tenants who own their own mobile home. **Ronda Carpenter** said this section of the law does not apply to those who own the mobile home. She explained if someone rents a mobile home then they fall under the Landlord-Tenant Act and are provided with this section of the bill.

CHAIRMAN GROSFIELD asked who this bill applies to. **Ronda Carpenter** answered only the owners of mobile homes who rent spaces in a mobile home park.

CHAIRMAN GROSFIELD asked about the three day notice period and how this is effective. **Ronda Carpenter** explained the eviction process and options for tenants.

SEN. DOHERTY asked if the time frames were accurate and if they can be changed. **Klaus Sitte** said the sequence of events is accurate and applies only in one-tenth of evictions that would take place.

Closing by Sponsor:

REP. MARK NOENNIG, HD 9, BILLINGS, summarized the bill and the changes that would assist the landlord. He felt this bill to be balanced and fair. He said there is no effect to duties of a landlord and this bill would offer assistance between the tenant and a landlord.

HEARING ON HB 560

Sponsor: REP. MARK NOENNIG, HD 9, BILLINGS

Proponents: **Stan Kalezyck, Attorney, Helena**

Opponents: **None**

Opening Statement by Sponsor:

REP. MARK NOENNIG, HD 9, BILLINGS, said the purpose of this bill is to reduce cost of litigation, settlement of claims and to reduce frivolous lawsuits. He explained how one party could settle in a case and the other party would have the best interests of clients. Allowing one party to make an offer to the other party to settle a case. He read a letter from a district judge **EXHIBIT(jus56a08).** He stated this bill would cover cases involving less than a $50,000 claim and the costs would be minimal.

Proponents' Testimony:

Stan Kalezyck, Attorney, Helena, said he represents the Montana Insurance Authority Group and the group supports this bill. He felt this bill has a limited application and the benefit forces both plaintiffs and defendants to be realistic in evaluating their cases.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. DOHERTY asked if this would apply to both plaintiffs and defendants and how to determine judgement. **REP. NOENNIG** said this language is current law. He said the judgement would deal with the settlement and it becomes favorable.

SEN. DOHERTY thought this would only work in a bifurcated trial. He didn't understand how this bill would do any good dealing with Subsection 2 if a bifurcated trail was followed. **REP. NOENNIG** said this language is current law and would work in a bifurcated trail.

SEN. DOHERTY asked if a written offer to settle should be accepted as well as a written offer of saying no. **REP. NOENNIG** thought the language stated this within the bill. He said if the offer was not accepted in writing then there would need to be a rejection.

SEN. O'NEIL asked about offering an amendment to strike Section 4 from this bill. **REP. NOENNIG** said if Section 4 was struck then lobbyists and legislatures would resist the bill and it may die.

SEN. O'NEIL asked if this capability is already available. **REP. NOENNIG** said no.

SEN. O'NEIL asked if it was found under Rule 68. **REP. NOENNIG** said that rule applies to costs only and defendants offers only.

SEN. O'NEIL asked if rules of court are determined and is there authority to pass this bill. **REP. NOENNIG** did not believe this bill would superseded Rule 68 and this bill is a settlement bill.

SEN. HOLDEN asked how this would affect the plaintiff and client. **REP. NOENNIG** said this bill does not apply to personal injury claims.

SEN. HOLDEN asked if it was mentioned in Section 4. **REP. NOENNIG** answered yes.

SEN. HOLDEN asked for clarification of types of claims this bill is to include. **REP. NOENNIG** said it includes trespass, contract, oral contracts, easement claims to mention a few.

SEN. HOLDEN asked about a property loss claim and if it would be covered by the bill. **REP. NOENNIG** said if it is real estate, it would be.

SEN. HOLDEN asked if the plaintiff is awarded $10,000 how would this effect the outcome. **REP. NOENNIG** said it depends upon the offer.

SEN. GRIMES wondered how this bill would fit for the plaintiff. He asked what would happen if the plaintiff decided to settle for a little less under an oral agreement. **REP. NOENNIG** said these type of offers could not be made until after 60 days the complaint has been served.

SEN. GRIMES asked if it was limited to $50,000 cases. **REP. NOENNIG** answered the fair offer is to be taken.

{Tape 3; Side A}

Closing by Sponsor:

REP. MARK NOENNIG, HD 9, BILLINGS, closed on his statements of the bill and added this bill assists the complaint process. He felt this bill would work and it helps the image of the profession involved.

ADJOURNMENT

Adjournment: 12:10 P.M.

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SEN. LORENTS GROSFIELD, Chairman

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CECILE TROPILA, Secretary

LG/CT

EXHIBIT(jus56aad)

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
CONFERENCE COMMITTEE ON SENATE AMENDMENTS TO HOUSE BILL 559

Call to Order: By **CHAIRMAN KEN MILLER**, on April 12, 2001 at 1:00 P.M., in Room 172 Capitol.

ROLL CALL

Members Present:
Sen. Ken Miller, Chairman (R)
Rep. Mark Noennig, Vice-Chairman (R)
Sen. Duane Grimes (R)
Rep. Rick Laible (R)

Members Excused: Sen. Chris Christiaens (D)
Rep. Gary Matthews (D)

Members Absent: None.

Staff Present: None.

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted: HB559, 4/13/2001

Conference Committee Meeting on HB559

REP. LAIBLE said the Senate had rejected the amendment this committee had put on the bill at their meeting on April 10. He noted this amendment's purpose had been to take away all of the Senate's amendments. He asked **REP. NEONNIG** what were the problems with the bill.

REP. NOENNIG said there were two problems. The first one was that according to existing law if the tenant did not pay rent within 15 days, the landlord is entitled to terminate the tenancy and proceed with eviction proceedings. This bill reduces the time

period for non-payment of rent within a mobile home court from 15 to 3 days, but also calls for the acceptance of rent as the landlord's duty at any time providing the attorney fees are paid. The landlords like the bill and the tenants prefer the law the way it is, he said.

SEN. MILLER said the tenants he had heard from did like the 3 days because they are frustrated when they have a problem neighbor right next door to them and the landlord can't do anything about it because of sometimes for months.

REP. NOENNIG said that was a fair statement. He said the second problem was the provision added in the bill which dealt with the violation of the health and safety rule which required a 24 hour notice by owner. He said the bill, as enacted, added language which conflicts. He said the concern was even if the health and safety violation was remedied within 24 hours, the party would still have to move within 14 days. He cited the violation of shooting a gun, which could easily be remedied within 24 hours. He said they need to reconcile the language and he would like some time to sift through the language after having worked on the bill for several months. He said the language was undecipherable, and he agreed with **CHAIRMAN MILLER** and **Mr. Campbell** that it didn't make sense. However, he said the issue still remained about what would happen if a tenant committed an act of immediate threat to the health and safety of the other tenants. If the tenant remedied it, should the tenant be allowed to stay, he asked.

CHAIRMAN MILLER said the landlord should have the discretion to decide what to do in the first place.

REP. NOENNIG said the Senate wrote if remedied within 24 hours, it does not terminate it, but they still have 14 days according to the bill, so it is inconsistent. They say the opposite things.

CHAIRMAN MILLER asked if it worked to strike the amendment.

REP. NOENNIG said it works to put it back the way he had it.

CHAIRMAN MILLER asked **Melissa Case, Montana People's Action, and Rhonda Carpenter, Montana Housing Providers,** if they would like to speak for a few minutes each.

Ms. Case said "attorney fees" is a scarey term for many people and she believed it would be best to keep the "15 days to accept the rent" clause, and the leave off the attorney fees part.

Ms. Carpenter said there were people with plaques on their walls who don't understand this bill. She asked the committee to accept one set of amendments or the other and not to send the bill to a Free Conference Committee. "My clients are afraid of attorney fees too, but that is not why you pass legislation," she said. She said a lease is a contract and a landlord needs a guarantee, and needs a part of the law to enforce this.

REP. LAIBLE asked if she had a preference in amendments.

{Tape : 1; Side : B; Approx. Time Counter : 0}

Ms. Carpenter said people want a health and safety problem stopped as soon a possible. She said the examples of gun shots and molestation are over long before 24 hours. The problem is, she explained, that tenants are afraid to live next door to these people. "Even when people go off to jail, they are frequently back within 24 hours," she said. If neighbors are terrified, landlords need the right to remedy this, she emphasized.

CHAIRMAN MILLER asked if she was willing to accept **REP. NOENNIG's** amendment.

Ms. Carpenter said yes.

CHAIRMAN MILLER said the motion was to strike the Senate amendments to Pages 3 and 4, and to put back the House language down to Line 3 on Page 4.

REP. NOENNIG said he appreciated that motion, and asked if there were any Senate amendments that they would want to keep.

CHAIRMAN MILLER asked if he would go along with striking all Senate amendments.

REP. LAIBLE said if we just muddy the water we'll have to re-write it again in a couple of years.

REP. NOENNIG said nobody cares about anything but the health and rent issues, and the rest can go back where they came from.

CHAIRMAN MILLER said the only Senate amendment he liked was the one on Page 2, Line 6.

REP. NOENNIG said look a Page 2, Lines 15-18, and asked how that differed from the Page 2, Line 6 amendment.

CHAIRMAN MILLER asked then if they had support just to strike all the Senate amendments.

REP. LAIBLE said that was where we were before.

(SENATOR GRIMES arrived.**)**

SENATOR GRIMES said they might need to be flexible on the 24 hour notice and maybe extend that to 36 hours. He said he thought the attorney fee issue bothered some of the other Senators.

CHAIRMAN MILLER explained that the language of the Senate amendments was conflicting with the bill and they were not comfortable with it so they were putting it back the way **REP. NOENNIG** had it in the House.

REP. NOENNIG said it was his understanding the 24 hour notice could not be changed without a Free Conference Committee.

CHAIRMAN MILLER said he was correct. He said they should present their changes again to the Senate and do a better job explaining it.

REP. NOENNIG suggested the number of days be changed to somewhere between 7 and 10, and leave out the right make the rent whole. He said whatever number of days they chose, would be the number of days in which the rent would have to be paid, and the landlord would have no duty to accept rent after that time period.

SEN. GRIMES said he felt better with 3 days.

SEN. MIILER suggested 5 days.

REP. NOENNIG said he felt 5 was harsh, and they should have more time if they didn't have the money. He suggested 7 days.

CHAIRMAN MILLER said he would withdraw his motion made 45 minutes ago and asked for a new motion.

REP. NOENNIG moved to reject 15 of the Senate amendments, and on amendment 12 to strike "15" and insert "7" calendar days.

Motion carried unanimously by all present`.

ADJOURNMENT

Adjournment: 2:00 P.M.

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SEN. KEN MILLER, Chairman

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Jane Nofsinger, Secretary

MN/KM/

EXHIBIT(cch83hb0559aad)